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United Nations Industrial Development Organization

Industrial Development Board

Third Session

Vienna, 24 April - 15 May 1969

SUMMARY RECORD OF THE SIXTY-EIGHTH MEETING

Held at the Neue Hofburg, Vienna,
on Tuesday, 29 April 1969, at 10.30 a.m.

President:**Mr. ORTIZ de ROZAS (Argentina)**

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IV. INDUSTRIALISATION

1. Mr. J. P. DUGAN (Ireland) said that the creation of the Industrial Development Centre had been welcomed by all members of the United Nations, particularly the developing countries. In the middle east, the fourteen member States of the Arab League had, within the League, an Industrial Development Centre to promote industrial services and support governmental efforts to implement industrialization programmes. The report UNIDO programme of action, covering its diverse range of activities, offered considerable possibilities for achieving the targets of the new centre, which looked forward to UNDP/UNIDC assistance and would co-operate in its work with the appropriate regional bodies.
2. In view of the developing countries' need for an integrated programme for natural resources and manufacturing industries, he would suggest that industrial technical assistance programmes could be made more effective by closer co-ordination of the UNDP and UNIDO programmes in those respective fields.
3. The Industrial Development Centre, which would support all possible steps taken to strengthen UNIDO and improve its effectiveness, looked forward to the fulfilment of the hopes and aspirations of the developing countries during the Second Development Decade and hoped to receive the support of developed and developing countries as well as of United Nations bodies and other international organizations in the difficult task of attaining its targets.
4. Mr. ABDALLAH (Sudan) remarked that UNIDO's development since its creation had fallen short of the expectations and aspirations of the developing countries, and reflected the amount of resources placed at the Organization's disposal and the type of co-operation extended to it by UNDP and the specialized agencies. In particular, the mandate given to UNIDO by the General Assembly concerning the establishment of a programme of action in the field of industry could not be described as having been satisfactorily carried out. From the outset, UNIDO had had to compete with other international bodies with vested interests in the field of industrialisation and was, even at present, responsible for only fifteen per cent of total United Nations activities in that field. Although UNIDO's share of UND resources earmarked for industry was still very small, many developed countries continued to

4. In addition to the general difficulties in recruiting suitable experts, there was a lack of appreciation by UNIDO's management of the need to recruit industrialists and technicians from developing countries. This was particularly evident in the field of industrial planning, where the emphasis was on external factors such as raw materials, labour and capital, rather than on internal factors such as market potential, industrial organization and industrial training, to the detriment of UNIDO. The UNDP programme, which sought to encourage developing United Nations agencies to assist the Industrial Sector, and to help alleviate the situation, had been abandoned as failure of execution. The developing countries should continue to take their support of the UNDP programme, until the issue concerning its financing had been settled.

5. The Pledging Conference might be deemed to be the most important of the four sources of financing theoretically made available to UNIDO, particularly for projects and operations which fell outside the framework of UNDP. His delegation therefore advocated the continuation and expansion of the SIS programme and fully supported the Pledging Conference. Furthermore, it was to be hoped that UNIDO's budget would grow at a rate more in keeping with the growth rate of allocations to other agencies.

6. It was essential for UNIDO to utilize its limited resources in the most rational way possible. The developing countries needed assistance of a practical nature, in the form of feasibility studies and industrial surveys. Pre-investment studies should be an integral part of any industrial survey, and experience had shown the need for national planning bodies to prepare feasibility studies for projects in both the public and private sectors. Appropriate invitations had been set up in the Sudan and had proved their usefulness. The establishment of the Industrial Information and Promotion Section within the Industrial Services and Institutions Division of UNIDO was a welcome step, as was the launching of a long-term programme for the improvement of maintenance and repair services. In effect, all evidence pointed to an increased and more pressing demand for field activities.

7. In view of the various problems resulting from the difficulty in recruiting suitable experts, UNIDO's efforts to accelerate recruitment procedures were to be commended, although there was still considerable room for improvement in that respect. His delegation recommended that the Executive Director should be authorized to re-introduce, on an experimental basis, the system of recruitment participants in field

- and regional industrialization, and to assist in the planning of industrial development for the short term only. This was to be done in accordance with the principles of industrialization by stages, and the industrialization of rural areas, particularly in mountainous frontier and less-favored areas which were to be carried out in accordance with the following principles:
9. In order to meet with satisfaction by the end of 1970 there would be further field development of the industrial complex, in particular, for a further increase in the number of firms to allow for wider geographical coverage.
 10. UNIDO was also required by the General Assembly to assume an important and precise role in co-ordinating the industrial activities of the United Nations family. The tentative agreements concluded with the economic and financial commissions aroused mixed feelings in his delegation, which feared that these agreements might serve primarily to consolidate the hold of certain organizations over those areas of industrial activity with which they had been concerned before the creation of UNIDO, thus depriving the latter of the responsibilities assigned to it by the General Assembly. It should not be forgotten that the subsequent co-habitation of a central co-ordinating role had been agreed upon as a compromise between those who considered that UNIDO should be a specialist agency and those who had wished to limit its activities to fields not already covered by the other agencies. While the conclusion of agreements with other agencies might alleviate the situation, a problem of co-ordination could not be solved so long as industrialization remained within the field of competence of several organizations. In that connection, it was to be hoped that an appropriate agreement would soon be reached between UNIDO and FAO. Co-ordination should aim at eliminating the major areas of conflict between the various agencies and consolidating UNIDO's central position in the sphere of industrialisation. The ultimate aim should, of course, be the transfer of all industrial activities to UNIDO, and the UNDP authorities might usefully be approached with a view to the establishment of a special body to consider the reallocation of projects.
 11. His delegation strongly supported the recommendation that UNDP should study the possibility of financing the SIS programme and was disappointed that no action had yet been taken to implement the recommendation. It was to be hoped that UNIDO would continue to receive strong support from those countries which had attended the Pledging

10. In view of the above, his delegation would like to emphasize the following points:
1. The Board's action in accepting the recommendations of the UNDP capacity study is welcome, although it is felt that the recommendations could have been more far-reaching; however the delegation would like to stress the importance of maintaining UNDP's autonomy.
 2. The difficulties encountered by UNDP in executing its work, despite considerable flexibility in the drawing up of its long-term programme, in addition, the accepted recommendations of the UNDP capacity study might now pre-occupy resources for UNIDO. His delegation therefore suggested the formation of a study group to review the long-term programmes, sources of finance and structural organization of UNIDO, with a view to identifying the factors which hampered the Organization in the execution of its functions. The proposed study group, whose membership should be based on equitable geographical distribution and which should be assisted by individual experts, consulting firms and the Secretariat, might present an interim report to the Board at its fourth session and a final report at the fifth session. The study group should be allowed full latitude to consult with member Governments, United Nations agencies and other bodies. Pending the report of the group, however, the normal rate of operation and growth of the Organization should in no way be impaired.
 3. With regard to the Working Group on Programme and Co-ordination, his delegation had consistently opposed the establishment of any body which might reflect adversely on the Board and duplicate its work, and the apprehensions of his delegation in that respect had been largely confirmed by recent events. An acceptable compromise solution might be for the Board to adopt a resolution whereby the Working Group become a permanent organ of the Board and held its meetings simultaneously with the Board's meetings.
 4. Sudan's National Committee for UNIDO, whose belief in the Organization was unshaking, had recently formulated several important recommendations, including one pertaining to the necessity of establishing regional or provincial sub-committees and

13. Mr. RODRIGUEZ (Argentina) said that the social and economic development of Latin America was the result of the social development of its people. It was important to have a stable political situation, but it was also important to have a stable economic situation. He said that the industrial development were dependent upon a political level. He said that the Central Committee set up to further the cause of UNIDO performed a valuable recognition, the Executive Director should be authorized to convene periodic meetings of these representatives so that they could exchange views on the progress and practices in their countries to the programmes and performance of UNIDO.

14. Peace and stability were essential prerequisites for the economic and social development of any country. Unfortunately, such conditions did not exist at present in the Middle East. The 1967 war, the continued occupation of Arab lands and the presence of Zionist forces on the Eastern bank of the Suez Canal were still having a adverse effect on the economies of the Arab countries. The necessity for those countries to develop their defensive capabilities had led to a diversion of resources which would inevitably retard the course of economic and social development. In addition, foreign investors were shunning the area and several vital industries had been destroyed. Until the countries concerned had succeeded in restoring their rights, they would continue to invest their remaining resources in a sustained effort to expand their industrial economy and thus preserve their independence.

15. Mr. BALO-DULCE (Spain) said that examination of purely operational problems should not cause the Board to overlook the need to consider the Organisation itself, its fundamental aspects and its future possibilities. UNIDO, whose existence and activities filled a vital need, was sparing no effort to remedy its weaknesses, one of the greatest of which was its financial situation, due both to inadequate resources and to the complex way in which it was financed. UNIDO's share in the United Nations regular budget was extremely small and the situation was aggravated by the constant necessity to re-adjust the Organisation's programme in the light of the funds allocated. The contribution of UNDP, which had become a basic source of financing, was no less sporadic and its manner of operation must necessarily have repercussions on its effectiveness. The establishment of a group of experts from UNDP, SIS and the United Nations and UNIDO Secretariats to carry out short-term and medium-term evaluations for projects and services available was difficult to achieve.

The group's task would be to draw up a general framework for UNIDO's policy and utilize flexibly. Other ways of viewing the financial problem might also be studied; the one mistake would be to leave matters as they are. It would make no effort to break the vicious circle in which UNIDO was placed at present. Once it was clearly recognized that an organization with precise terms of reference must have the permanent and decision-making machinery necessary to attain its objectives, the only remaining problem would be to reach a United Nations "family agreement" as to how the new policy should be carried out. The prevailing uncertainty and lack of cohesion were even more pronounced in the case of the SIS, particularly in respect of contributions to specific projects.

16. The objectives of the first Development Decade had not been reached, and it would be impossible for the Second Development Decade to achieve better results in the absence of a global strategy for the developing countries. The elaboration of such a strategy obviously required close international co-operation.
17. Clearly the time had come for serious reflection on the objectives of UNIDO in the light of experience acquired up to the present. His delegation did not believe that any useful purpose would be served by maintaining a rigid and artificial distinction between the developed and the developing countries, thus dividing the Organization into two watertight groups of beneficiary and donor countries. There was no country which could not give as well as receive and Spain, as a developing country, was prepared to give whatever assistance it could in specific cases.
18. With regard to the operation of the Organization properly speaking, his delegation's views were as follows. Firstly, UNIDO projects should be harmonized and co-ordinated with national programmes to the greatest possible extent. Secondly, concentration on new installations should not lead to a neglect of existing and reasonably profitable installations. Thirdly, UNIDO should not undertake research work of its own but should confine itself to providing technical assistance to research institutions, particularly in the developing countries. Moreover, the possibility of promoting an international association of industrial research institutions as a forum for the exchange of data and experience deserved serious consideration. Fourthly, the establishment of export-oriented industries in the developing countries should

9. **Mr. RYUJI KOBAYASHI**, the Director-General, in the light of the industrial export strategy for developing countries. Fifthly, the Secretary-General of the delegation should be appointed to visit developing countries in various fields, such as those of agriculture and industry, in order to avoid duplication of work and unnecessary conflict. Sixthly, in order to avoid difficulties and heavy costs in manufacturing for export, efforts should be made to avoid excessive restrictions on the transfer of technology. Seventhly, the impact of economic development on social conditions must not be ignored when drawing up plans for industrial development. The indiscriminate establishment of large industries with complete disregard for their social repercussions could often be detrimental in the long run. Eighthly, UNIDO had an important role to play in the promotion of seminars, symposia and conferences concerning the various fields of industry, and such activities should be expanded as much as possible. Ninthly, his delegation considered that the establishment of the Working Group had proved satisfactory on the whole and that the system might usefully be continued with certain procedural improvement. Lastly, UNIDO should prepare its contribution to the Second Development Decade as soon as possible, in collaboration with all the specialized agencies of the United Nations.

19. In conclusion, his delegation was convinced that the time had come for a general review of UNIDO's activities in the light of past experience. It was most important that the Board should express broad and decided agreement in that respect.

20. **Mr. HUSSEIN** (Somalia) said that developed and developing countries alike should make every effort to ensure that UNIDO received the financial resources which it required. UNDP might be asked to increase the funds available for financing UNIDO's growing commitments; supplementary resources might be forthcoming if the developed and the developing countries were requested to increase their voluntary contributions and, where possible, to assist financially in offsetting the local costs of seminars and training programmes. Moreover, in view of the very limited financial and human resources of the United Nations as a whole, every effort should be made to ensure the coordination of activities of members of the United Nations family, so that duplication and waste might be avoided.

21. The Soviet Union has a large number of highly qualified industrial experts available for recruitment, and it was suggested that an International Bureau be created. This Bureau will have the task of the development of sufficient ability, provided that the experience, knowledge and such training as are readily applicable to industrial activities in the developing countries, is transferred. The recruiting of experts should be accelerated so that delays in industrial development might be reduced to a minimum, and experts in the field must be constantly aware of the need for training their national counterparts.
22. The importance of the exchange of information on industrial activities could not be over-emphasized, and in that connection the function of national committees for UNIDO would be of help, as would the creation of a centre within the UNID秘书处 to assist in the exchange of information between the developed and the developing countries.
23. If the highly industrialized nations really wished to assist the developing countries, it should be possible to eliminate the obstacles which prevent the industries of the latter gaining entry into established world markets, even if those products were competitive in price and quality. It was important to produce goods that could neither be absorbed by domestic markets nor find clearance, and the creation of an industrial promotion centre that would help the developing countries to sell their products to potential buyers was therefore important.
24. The attention given by UNIDO to the development of light industries based mainly on locally produced raw materials was to be welcomed, and it was hoped that those industries, particularly in the least developed countries, would encourage import substitution and promote foreign trade.
25. His delegation believed that greater industrial development would be accompanied by modern legislation. For that reason, its present and UNIDO's activities should be expanded to include the provision of assistance in matters of industrial legislation, patents and licensing.
26. Mr. NIKULIN (Observer for the Byelorussian Soviet Socialist Republic) said that the achievement of UNIDO's lofty aims demanded united and ever-increasing efforts on the part of all its members. The Byelorussian SSR had made a concrete contribution in that respect.

1. The Belarusian SSR was prepared to accept the subject of industrial development, including the location of industries, as a priority item on its agenda. Moreover, the Belarusian Government had a great deal of experience in that field, especially in the field of agriculture, which was the main branch of the economy. Moreover, the delegations organized by the Ministry of Foreign Affairs, and during the seminar held in Minsk, participated to a great extent themselves in the Republic's experience. The spirit of cooperation to be encouraged throughout the Republic's experience. The spirit of cooperation to be encouraged throughout the Republic's experience. The spirit of cooperation to be encouraged throughout the Republic's experience. The spirit of cooperation to be encouraged throughout the Republic's experience.

The initiative elements of the organization of the seminar were a source of satisfaction to the Belarusian government.

2. The experience of industrial development in the Belarusian SSR should be of benefit to countries embarking on that process, in view of the similarity of the problems involved. During its fifteen years of existence, and despite the ravages of twenty years of war, the Belarusian SSR had made great strides in the development of its industry and agriculture and in the training of the necessary personnel. Through its own efforts, and with the assistance of all the peoples of the Soviet Union, it had wrought the radical changes necessary to make it a modern country with a modern industry. whose industrial output, reduced in 1944 to 5 per cent of the pre-war figure, was now eighty times higher than the pre-Revolution figure. Indeed, Belarusia had become a leading producer in the USSR of many industrial items, although its territory covered less than 1 per cent of the surface area and its population accounted for less than 4 per cent of the population of the Soviet Union.

3. The Belarusian SSR was not only prepared to share its industrial experience with the developing countries, but was determined to collaborate in every way in the activities of UNIDO. As part of its contribution to UNDP and UNIDO, it was ready to participate in the preparation and organization of seminars and symposia, on such subjects as the short-, medium- and long-term planning of industrial production at different levels, and the planning of the location of industries for the processing of agricultural raw materials. On a broader plane, Belarusian experts could participate in the preparation of models for the industrialization of the developing countries.

31. The Secretariat was asked to continue to organize training of technical experts in developing countries, particularly in the field of industrialization, and to follow up the valuable experience of the industrialization programme in the United Nations regional seminars and the organization of workshops and other kinds of activities with other regional and specialized organizations. It was felt that it would be appropriate that in future UNIDO should make greater use of its consultative machinery, not only at headquarters but also in the field. The Secretary-General was requested to direct its efforts to promoting an expansion of UNIDO's activities in helping the developing countries to solve their industrialization problems.

31. M. Ali (Pakistan) said that the third session of the Board offered a great opportunity both for stock-taking and for looking ahead. It was important for UNIDO to give full thought to the future, particularly on the threshold of the Second Development Decade, and it was to be hoped that it would closely follow the work of the Committee that was working on the preparations for the Decade. Industrialisation of poor countries should form an integral part of future international development strategy, which should take account of national development plans and regional arrangements between countries which shared the same attitudes.

32. Although developing countries were aware that they could only break out of the vicious circle imposed by backwardness and poverty through their own efforts, the constraint of limited resources obliged them to seek outside assistance, and organizations like UNIDO should never lose sight of that consideration. The shortfall in the targets of the first Development Decade, together with the increase in the price of capital goods and the very substantial reverse flow of funds in the form of amortization and interest charges were serious matters. Moreover, as industrialisation was considered to be an essential instrument in the advance towards self-sustaining economic growth, concerted national and international efforts were necessary to achieve whatever targets might be set for future development plans.

33. Industrial development could not be achieved without an increased flow of capital, and in that connexion there were immense opportunities for international co-operation. UNIDO's promotional activities should be aimed at greater investment promotion. Pre-investment studies must be followed by investment, and indeed there

33. In this connection, he mentioned the World Bank. If it were to act as a banker, it could easily utilize its resources for industrial development, on its own initiative and without the provision of any grant or loan to members' business. It would be the natural step, in the current financing of projects, to offer longer repayment terms. Unesco's view was that the example of other international bodies, such as the International Monetary Fund, in working arrangement with the World Bank, perhaps even coming to a formal arrangement which a disproportionate share of world capital resources might be required for use in industrial sector.

34. Although UNIDO's contribution to industrialization was becoming increasingly significant, much still remained to be done, particularly in the sphere of industrial efficiency. Repair and maintenance was a subject which might well justify an industry-wide or at least sector-wide approach. A sustained effort would be needed to ensure that new factories were properly maintained. While supporting the programmes in that field, as well as in the field of in-plant training, his delegation felt that more attention should be paid to studies of industrial efficiency and productivity. UNIDO should also strive for greater participation by the developing countries in the benefits of research and technological progress, paying special attention to the creation of smaller economic units which would be modern, efficient and economic and of particular value to the developing countries.

35. As regards procedures for the recruitment of experts, he hoped that the secretariat would acquaint the Board with the results of its experience, and provide an analysis of the financial implications. Any future evaluation of the situation should take account of the quality and completion time of experts' work and of the time required to find appropriate experts. There was also a continuing need for an evaluation of the results achieved in the implementation of UNIDP projects. Concerning field activity, he noted the continuing need for an evaluation of the results achieved in implementing UNIDP projects, and emphasized that in recruiting additional staff, both for field and Headquarters activities, UNIDO should give due consideration to geographical distribution on the widest possible basis.

36. Turning to financial matters, he hoped that the Board might be provided with separate figures showing administrative expenditure and expenditure on programme supporting activities. The statement of financial implications contained in

37. The Board might wish to indicate priorities for activities in 1971 and 1972, making proposals that could form the basis of planning estimates by the Secretary-General, and also taking account of the new procedure formulated for programmes under part V of the United Nations budget. It was noted that the UNDP's role in the preparation of the United Nations Industrial Development Organization's budget had been strengthened, and that the UNDP's contribution to UNIDO would be increased. The Board might also consider the possibility of establishing a UNDP industrial training unit.
38. The prospects for SIS appeared to allow for some optimism, given that the programme was an essential element in the identification and formulation of projects for eventual financing. It was to be hoped that the emphasis on speed and flexibility of procedures referred to by the representatives of UNDP would be reflected in the joint UNDP/UNIDO study of the mechanism of financing future projects of the SIS type. The announcement that the proportion of funds used for experts or equipment would be adjusted, and that those funds might be utilized for demonstrating industrial principles, was to be welcomed. The Board might wish to express views concerning the payment of local SIS costs, bearing in mind that the developing countries were generally unable to pay for such services. As far as the TA programme planning level was concerned, the Board should continue to strive for its upward revision from the present level of \$1.5 million.
39. The UNDP regular programme had been given in terms of figure estimates, but supporting activities had not received full coverage for 1971. The purpose of General Assembly resolution 2374 (XXII) had therefore not been fulfilled. He recalled that at the second session of the Board his delegation had requested detailed forecasts so that, at the time of submission of a planning estimate by the Secretary-General, the proposed amount for UNDO's regular budget might be based on specific recommendations concerning the programme for 1971.
40. While awaiting completion of the preparations for the Second Development Decade, the Board might wish to indicate priorities for activities in 1971 and 1972, making proposals that could form the basis of planning estimates by the Secretary-General. He noted the new procedure formulated for programmes under part V of the United Nations budget, and hoped that the Board's recommendations in connexion with the programme for industrial development would be fully taken into account by the Secretary-General, and that the new arrangements would be subsequently reviewed in the light of experience.

40. Recalling the present situation in which many countries of the United Nations and developing countries, in particular, are in a state of the most complete industrialization, he said that UNIDO must remain in close touch with the Economic Commission for Europe.
41. The German Group on Programmes, he reported, had made excellent progress in stock-taking. They had, at their meeting in Geneva, under-emphasized certain important issues, such as import substitution industries. Welcoming the co-operation and close liaison between UNIDO and UNEP, and urging that closer attention be paid to studies carried out by UNEP and UNCTAD, he observed that export-oriented industries were of particular interest to developing countries since they could quickly pay their way once initial investment had been made. He hoped that the Executive Director would inform the Board of ways in which that area of UNIDO activity might be strengthened. UNIDO, in close association with UNCTAD, might well examine the role of the new system of preferential tariffs that was expected to come into effect during the 1970's.
42. That part of the report of the Working Group dealing with the consideration of the programme as a whole was not sufficiently analytical. Inadequate attention had been paid to the subjects of light industry and textiles, and the Group appeared to have adopted a somewhat uncertain position on some projects. As regards coordination of activities within the United Nations system he hoped that a satisfactory agreement would be reached with FAO, and would appreciate information concerning further developments in the negotiations. He suggested that similar agreements with other specialized agencies should be set before the Board for final approval. He hoped that sufficient time would be available for the Board to examine the programme of work in substance if not in detail. The Board should also consider whether the Working Group should continue in its present form, or whether a sessional committee should be appointed with the same or modified terms of reference.
43. Mr. KIRKING (General Agreement on Tariffs and Trade), speaking at the invitation of the President, informed the members of the Board that the GATT Committee on Trade in Industrial Products were pursuing its work of determining what the tariff situation would be when the Kennedy Round concessions were fully implemented. The following step would be to explore the possibilities for further tariff reductions.

43. In view of the fact that the cotton industry was one of the most important in developing countries, the Conference had decided to give special attention to cotton in its work. It had been agreed that the Conference would take up the question of cotton at its first session in 1970, and that the Conference would also consider the question of cotton in its second session in 1971. The Conference had also decided to establish a Committee on cotton to facilitate this. In addition, a committee of experts, consisting of members of the Conference, had been appointed to study the question of cotton every year.
44. It was agreed at the Conference that the introduction of new and more restrictions, particularly differential tariff rates of developing countries, in GATT was continuing to keep a situation under review. Developed countries in GATT had been urged to give favourable consideration to requests by developing countries for the separate identification in their tariffs of products for which developing countries had sought tariff concessions or duty-free entry. The secretariat was engaged in studying differential tariff rates affecting exports of processed goods and the effects on exports of specific duties.
45. The Cotton Textiles Committee was to meet in the autumn of 1969 to consider the future of the Arrangement regarding international trade in cotton textiles, due to expire in 1970. The measures taken or envisaged by importing countries to facilitate adjustments in their cotton industries were being studied and work was proceeding on adjustment assistance measures.
46. At the last GATT session, members had reaffirmed their readiness to take appropriate action once a general non-discriminatory scheme of preferences in favour of the developing countries had been negotiated, as recommended by the second United Nations Conference on Trade and Development. In addition, the preparatory work for negotiation of tariff preferences among developing countries was entering its final stage, and GATT members had declared their intention of taking a constructive attitude towards the results. The negotiations should be completed by the end of 1969, and so far twenty-four developing countries had submitted lists of products on which they wished to negotiate. The UNCTAD secretariat was co-operating with GATT in the service of those negotiations.

45. Mr. V. A. KARASOV (Deputy Minister of Foreign Trade) informed the Conference that his Ministry had organized its first exhibition of Soviet fertilizers and chemicals in Moscow in October 1967. This exhibition had been highly successful, with the participation of 150 foreign organizations concerned with agricultural machinery, fertilizer and chemical industries and effectively drew great attention to the Soviet fertilizers and their quality (1b/110.17), and in particular to the need to encourage the further increased collaboration between Soviet scientists and experts from developing countries.

46. Mr. SAVILOV (Deputy for the Ukrainian Soviet Socialist Republic) after drawing attention to the rapid industrial progress achieved by his country, pointed out that his Government provided bilateral assistance to a large number of developing countries, in such sectors as the supply of equipment and experts and the training of personnel. The Ukrainian SSR also provided multilateral assistance through the United Nations system, and in 1965 had organized an interregional seminar on fertilizers, after which UNIDO had decided to hold the World Fertilizer Congress in Kiev. Initially, the date of the congress had been set for 1967, but subsequently it had been decided to hold the meeting in a reduced scale in 1971. The Government of the Ukrainian SSR considered this a difficult and important question, and asked that the Secretariat would reconsider the whole question.

47. Starting in 1965, his Government had organized courses for metallurgists from the developing countries with the aid of Soviet Union contributions to the United Nations regular programme of technical assistance. These courses had proved so successful that it had been decided to improve and expand them, so that in 1969 two groups of sixty students could receive training. For this purpose he wished to propose that: (a) the courses should be established on a permanent basis and that measures should be taken to make fuller use of them over the following four to five years; (b) two to three months before the beginning of the course a list of students containing all necessary data should be sent to the authorities of the Ukrainian SSR; (c) students of approximately similar standard of knowledge and experience should be selected; (d) a grant should be made to fill the courses completely; (e) certificates of attendance should be issued at completion of the course. If it proved

and efforts to implement the recommendations of the Conference at the different Directorates of the United Nations Economic and Social Commission for Africa, in the course of its discussions on industrialization.

50. The Ukrainian S.S.R. intended to carry out the following technical activities on behalf of the developing countries: (1) a seminar on the organization and maintenance of services; (2) a seminar on the reorganization of construction and building materials industries; (3) a seminar on the development of various branches of the coal industry; (4) a seminar on the formation of industrial development from internal resources; (5) a seminar on the improvement of leading and decision-making top buildings and plant in light industry; (6) a seminar on industrial information; and (6) training courses in welding for specialists from the developing countries.

51. In conclusion, he pledged his country's continuing support for UNIDO in its task of providing assistance to developing countries in their industrialization efforts.

52. M. BIANCA (Romania) said that the continuing discrepancies in the level of economic, industrial and technical development of different countries was explained by the fact that the process of industrialization had not yet reached the stage at which industrial development became the driving force of all economic and social life. To achieve that goal, the international community, as a whole would have to concentrate all its efforts on accelerating the process of industrialization in the developing countries. In practice, however, it had been shown that the economic progress of each country depended primarily on the exploitation of its own material and human resources. At the same time, no country could overlook the need to maintain economic relations with other countries. Notwithstanding regional regress, every country had to participate increasingly in international trade. Against that background, UNIDO's task was to support the efforts made by the developing countries in a variety of measures among which technical assistance occupied an important place. UNIDO also had a particularly vital role to play in the transfer of information, know-how, patents and licences to the developing countries.

53. The programme of work for 1970 contained a number of interesting proposals, of which the following deserved particular attention: (a) the establishment of research institutes and development centres in certain developing countries; (b) the creation of an international proprietary technology bank; (c) further studies and activities for the industrial documentation and data centre; and (d) the creation of an inter-

work and industrial projects. In addition, UNIDO must pay attention to the operational management of the use of computers and calculating techniques in industrial planning, project and system building. The last is still in its early stages of growth, importance and UNIDO could make its main contribution in the framework of General Assembly resolution 245 (XIII).

54. UNIDO should also play a more active part in furthering the development of international economic, industrial and technical co-operation. That purpose could be achieved only when it became a truly universal organization, including among its members the People's Republic of China, the People's Democratic Republic of Korea, the Democratic Republic of Germany and the Democratic Republic of Viet-nam.

55. Industrial co-operation depended primarily on the development and consolidation of bilateral relations between States and the extension of multilateral co-operation, both of which should be regarded as part of a single process. Romania believed that effective multilateral collaboration could be achieved only through respect for the basic principles of international law; supra-national structures could not replace the sovereign attributes of individual States. One of the tasks that UNIDO could usefully perform would be to study the wide variety of forms of co-operation, and it might prove valuable to hold meetings of experts for that purpose. He wished to commend UNIDO's efforts for the development of co-operation with other members of the United Nations family.

56. In conclusion, he recited the considerable results achieved by his country in the field of industrialisation and reaffirmed Romania's dedication to the principle of international economic, industrial and technical co-operation.

The meeting rose at 1.5 p.m.





16. 7. 74